UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP

Distr.
RESTRICTED

DP/GC/MLW/R.2/RECOMMENDATION
24 March 1980

ORIGINAL: ENGLISH

GOVERNING COUNCIL
Twenty-seventh session
June 1980

Agenda Item 6 (b)

Country and intercountry programming and projects

COUNTRY PROGRAMME OF THE GOVERNMENT OF MALAWI

Note by the Administrator

Programme period	IPF for 1977-1981
1979-1981	$ 19.75 million

I. Nature of the programming exercise

1. For approximately 10 months the Malawi Government and the Office of the Resident Representative in Lilongwe carried out a series of consultations with a view to identifying the sectoral priorities for the programming of UNDP resources, following agreement that a three-year Country Programme for Malawi should be prepared for approval by the UNDP Governing Council in June 1980. The External Aid Section of the Ministry of Finance, in collaboration with the Development Division of the Office of the President, outlined the strategy of the Government in utilizing the balance of programme resources for 1979-1981. The priority established the successful completion of projects begun since the commencement of the cycle, as developed in relation to the priorities in the Government's Statement of Development Policies in 1971-1980.

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These continuing projects are intended to promote agriculture, rural development, generate employment and income, and advance the living standard of the rural population. They should be seen as part of a concerted effort of which the National Rural Development Programme is the focal point for co-ordination and delivery. Ad hoc missions were organized to review on-going projects and modify them. These missions were supplemented by additional assistance from experts serving in Malawi. One of these missions was in the field of storage and transportation of produce; another was in rural low income housing and regional planning, and a third in development planning and administration.

2. On 4 October 1979, a final round-up meeting, presided over by the External Aid Section of the Ministry of Finance was held at Lilongwe to finalize projects identified for UNDP assistance. Representatives of various Organizations of the United Nations system, including a staff member from the UNDP Regional Bureau for Africa, participated. The Government reiterated its priorities at that meeting, identifying the key areas as integrated rural development and human resources. The conclusions of the meeting were taken into consideration in finalizing the Country Programme.

II. Relation of the Country Programme to national development objectives

3. The Government's Statement of Development Policies, which is the national plan document, indicates four main long-term development objectives. The first aims at 8 per cent growth in the GDP, to be attained by increased public expenditure in agriculture and supporting sectors; the second objective is to raise the living standard of the rural population, while the third is to achieve a balanced development of the three regions of the country. Finally, Malawian finance and management are to be accorded a greater participation in the private sector of the economy.

4. To increase the employment opportunities, and thus raise the living standards of the rural population approximating to 90 per cent of the national total, the Government launched the National Rural Development Programme as a vehicle for the delivery of an integrated rural development strategy, consisting of the identification of focal growth points to sustain high productivity projects, mainly in agriculture, the choice of investment on an assessed economic justification and the provision of economic and social infrastructure to create the environment that is conducive to efficiency. Already operational in the complex of integrated rural development schemes are the Lilongwe Agricultural Development Project, the Shire Valley Development Project and the Karonga Rural Development Project.

5. All these projects share similar characteristics and objectives which are to create employment opportunities and raise the living standard of the rural population. In addition, they have been strategically sited to further the development objective of balanced regional development. Thus, the Lower Shire Valley Development Project is situated in the Southern Region; Lilongwe Agricultural

Development Project in the Central Region; and Karonga Rural Development Project in the Northern Region. Also aimed at balanced regional development is the founding of the capital city of Lilongwe.

6. In pursuing measures aimed at realizing increased Malawian managerial and financial participation in the private sector, the Government recognises the historical dominance of foreign interests in the private sector, the dearth of local risk capital and managerial know-how. Malawians are to acquire experience through small-scale industry with special concessionary finance being provided. Assistance will be provided by the national development corporations, the Industrial Development Bank and a private company which combines a variety of development functions in the economy, the Press Holdings. The long-term policy is a restructuring of the education system to improve the quality and increase the out-put of technical and managerial personnel.

7. Table 1 shows a breakdown of UNDP contributions to the development objectives outlined above. They cover several sectors and consist of a large number of on-going projects (81 per cent). This has been designed by the Government with a view to bringing to successful completion activities commenced earlier and to initiating several new projects for the third cycle, due to commence in 1982.

8. Projects in Agriculture, forestry and fisheries take the largest UNDP contribution (30.1 per cent of programmed resources). They include such large-scale projects as Livestock Development, Poultry Development, Fisheries Expansion, Tobacco Research Development, Strengthening of Dairy Industries and Assistance to the Bunda College of Agriculture.

9. With 23.2 per cent of programmed resources, Industry is the second largest sector assisted by UNDP. Assistance in this sector goes to such projects as Development of the Brickmaking Industry, with emphasis on the utilization of locally available new materials and on labour-intensive techniques, Agro-industrial Management Training, Development of the Woodpulp Industry, provision of a Commissioner for Industrial Development and of a Small-scale Industries Advisor. Assistance will also be given to the National Institute for Vocational Training and Entrepreneural Development, and to the development of training in hotel catering.

10. Ranking third in the utilization of programmed UNDP resources (18.9 per cent), assistance to Human resources development may appear somewhat understated as a national priority. Indeed, manpower development is a built-in aspect of activities in all sectors of the programme. As grouped in the Country Programme document, however, UNDP assistance in this sector includes the strengthening of the health services through two projects: Medical and Nursing Training, and Health Manpower Development. Educational Development is covered through the project assistance to the University of Malawi, Primary Teacher Education and Curriculum Development, as well as Assistance in Education Planning. Support is also being provided to the vocational rehabilitation of the disabled.

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11. In the sector of Transport and communications which ranks fourth with 10.8 per cent of programmed resources, UNDP assistance is concentrated on Marine Staff Training, Telecommunications Development Planning, Satellite Communications, and Radio Frequency Management and Monitoring.

III. Content and phasing of the country programme

Table 1

Sectoral breakdown of programmed resources

Sector	On-going projects		Identified new projects		Total	
	Value ($000)	Per cent	Value ($000)	Per cent	Value ($000)	Per cent
Agriculture, forestry and fisheries	4 359	31.8	937	24.0	5 296	30.1
Development policy, planning and administration	100	0.7	605	16.0	705	4.0
Human resources	2 743	20.0	583	15.0	3 326	18.9
Human Settlements	-	-	1 019	26.0	1 019	5.8
Industry	3 946	28.8	120	3.0	4 066	23.2
Natural resources	589	4.3	15	1.0	604	3.5
Transport and communications	1 306	9.5	588	15.0	1 894	10.8
Miscellaneous	654	4.9	-	-	654	3.7
	13,697	100.0	3 867	100.0	17 564	100.0

12. Human settlement projects to which 5.8 per cent of resources are devoted, include a project in physical planning and another project in low-cost Rural Housing. This illustrates another aspect of Government's concern over the promotion of rural development.

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13. Projects in Development policies, planning and administration to which 4 per cent of resources are allocated, include two main large-scale projects. One is assistance to the Public Administration Institute, the other is assistance in Development Planning.

14. The Natural resources sector, to which 3.5 per cent of programmed funds are allocated, has two major projects: Water Resources Assessment and Development of Hydrological Services.

15. Under Miscellaneous (3.7 per cent of programmed funds) there are two large-scale projects: Credit Accounting and Development of Accountants. Both projects will make significant contributions to rural development as a large number of Malawians who will be trained in both projects will be involved in the implementation of the National Rural Development Programme.

16. Table 2 provides the phasing of programmed resources.

Table 2

Phasing of the country programme

A. Amounts programmed

Year	($000)
1979	4 421
1980	7 170
1981	5 973
Total	17 564

B. Resources taken into account for programming

Resources available	
(a) IPF resources available for programming (1979-1981)	14 967 a/
(b) Other resources	Nil
Provision for adequate programming	2 597
Total resources taken into account for programming	17 564

a/ The figure represents the difference between the 1977-1981 IPF after adjustment for over-expenditure from the first cycle ($18,944,000) and expenditure for the years 1977-1978 ($3,977,000)

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IV. Special development problems and needs of the country

17. Malawi is a landlocked, least developed country, with rather low per capita income, and some 90 per cent of the population living in the rural areas. The country has so far no mineral resources. It is wholly dependent on imported fuel, the cost of which has been constantly increasing. Industrial activities are confined to limited processing of agricultural products and metal fabrication. Skills are in very short supply. Low per capita income inhibits the potential of the 5.8 million population as a viable internal market to support industrialization. Inflation and adverse terms of trade are causing considerable financial strain, particularly acute for much needed development capital. The Government's pressing need is therefor for development assistance in several sectors of the economy and concessionary development capital. The country's financial situation and needs will make it more and more difficult for the Government to provide the appropriate counterpart contributions expected for the support of externally financed projects.

V. Recommendations of the Administrator

18. In the light of the views expressed above, the Administrator recommends that the Governing Council:

(a) Approve the proposed UNDP Country Programme for Malawi for the duration of its programme period within the limits of its approved Indicative Planning Figure for 1977-1981, taking into account the balance of over-expenditure or under-expenditure of its 1972-1976 Indicative Planning Figure; and

(b) Authorize the Administrator to proceed with appraisal and approval action on requests for assistance falling within the outlines of the CountryProgramme while ensuring, in accordance with the decisions of the Governing Council at its eighteenth session (E/5543/Rev.1, paragraph 31), that expenditures are kept in reasonable conformity with the relevant Indicative Planning Figures and are contained within the financial resources available at any given time.